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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 04/21/09

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- (1) Dissolution in May losing ground in LDP; New Komeito favors in August or later

YOMIURI (Page 4) (Excerpts)
April 21, 2009

When should the House of Representatives be dissolved? Political maneuvering is still going on in the ruling camp. Although calls in

the Liberal Democratic Party (LDP) for dissolution in May have died down, some are still insisting on early dissolution. Meanwhile, the New Komeito, which hates to see the next Lower House election set close to the Tokyo Metropolitan Assembly election in July, has begun calling for dissolution in August or later. Prime Minister Taro Aso is struggling to maintain a freehand.

The New Komeito says that if the Lower House election were to be held before the Tokyo assembly election, it should take place no later than June 7. But in view of the timetable for Diet deliberations, this scenario seems difficult. The LDP's coalition partner has begun talking about in August or later. In fact, New Komeito Secretary General Kazuo Kitagawa in a speech yesterday clearly expressed his hope for the election in August or later, citing the economic situation.

Some in the LDP have begun mentioning dissolving the Lower House in mid-July for an election in early August. But because the Emperor is scheduled to officially visit Canada and the United States from July 3 through 17, some think dissolving the Lower House during that period is difficult.

(2) U.S. proposes goal of nuclear-free world; Possibly intends to strengthen deterrence, as well

NIKKEI (Page 2) (Full)
Evening, April 17, 2009

Tsuyoshi Sunohara

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U.S. President Barack Obama has announced that his administration will aim at a world without nuclear weapons. Such a goal would have been a fantasy during the Cold-War era. Such high ideals also offer a glimpse into the United States' farsighted plan to take the lead in nuclear arms reduction without abandoning its position as a nuclear power.

In early 2007, a U.S. newspaper carried an article that drew the attention of President Obama, who takes a strong interest in nuclear disarmament. A set of proposals titled "Toward a Nuclear-Free World" were authored by a group who included two former secretaries of state, Henry Kissinger and George Shultz, and former Secretary of Defense William Perry.

In outline, the article called for: (1) a substantial reduction in the nuclear war potential of nuclear powers; (2) elimination of tactical nuclear arms deployed by the U.S. or Russia in friendly or allied countries; (3) ratification of the Comprehensive Nuclear Test Ban Treaty (CTBT) by the United States; and (4) a total ban on the production of nuclear fission materials for weapons.

As a result of consolidating views in the Obama camp based on the article on nuclear disarmament, the idea of strengthening the nuclear nonproliferation system has surfaced as a comprehensive policy, according to a source connected to the Obama administration. How to maintain America's nuclear capability in the future was a point at issue.

At first the Obama camp looked into the possibility of introducing the reliable replacement warhead (RRW). It is said that RRWs can be developed without conducting a nuclear test and are technically highly reliable. If the United States can introduce RRWs in exchange for nuclear arms reduction, the country would be able to strengthen its nuclear deterrence even after nuclear disarmament.

The U.S. military and the Republican conservatives are essentially skeptical about reducing the total number of nuclear warheads possessed by the United States and Russia to less than 1,000 at a stroke and ratifying the CTBT. RRWs are a political bargaining chip to contain such forces of resistance.

If things go as planned, the number of nuclear warheads possessed by the United States and Russia can be reduced to several hundred.

Driving on without a stop, the United States would apply greater pressure on such countries as Iran and North Korea to opt for nuclear nonproliferation. At the same time, the United States would advocate multilateral nuclear disarmament talks with other nuclear powers including China. That was the Obama camp's original scenario to realize a world without nuclear weapons.

Nevertheless, the prevailing view about RRWs, the pivot in this concept, was that they go hand in hand with the Bush doctrine, under which the U.S. would not hesitate to carry out preemptive strikes against enemy countries. The U.S. Congress and the Democratic Party put a stop to any appropriations for the development of RRWs. Cautious views were dominant. President Obama decided to suspend the development of RRWs in March, sending the new nuclear warhead debate back to square one.

Based on such developments, Institute for Defense Analyses President and former Chief of Staff of the United States Air Force Larry Welch

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said, "A plan has surfaced to develop a new nuclear warhead called the RRR (reusable, replaceable and refurbish) warhead to replace the RRW," as a new meeting point. By proposing the introduction of the RRR warhead with an emphasis on the maintenance of existing nuclear weapons, the Obama administration plans to announce that its position is divorced from preemptive strikes using nuclear weapons. It is a scenario to move one step closer to nuclear arms reduction by changing its slogan, so to speak.

At present, it is unclear how the Obama administration will respond to political maneuvering over the question of ratifying the CTBT and the fate of the RRR. Japan pins high hopes on President Obama, who has referred to the United States' moral responsibility as the only nuclear power that has used a nuclear weapon. There is no doubt, though, that there are many twists and turns lying ahead before a nuclear-free world can be realized.

(3) LDP, New Komeito to submit basic bill on cutting greenhouse gas emissions to current Diet session

ASAHI (Page 4) (Full)
April 21, 2009

The Liberal Democratic Party (LDP) and the New Komeito have decided to submit a basic bill designed to build and promote a low carbon society (tentative name) as part of effort to propel measures to combat global warming. They will draft the bill by May and showcase it in the remaining half of the Diet session. Prime Minister Taro Aso intends to set in June a mid-term goal of cutting greenhouse gas emissions to be achieved by 2020. By submitting the basic bill as well, he apparently wants to indicate that the government and the ruling bloc are waging a united drive to implement measures to curb global warming.

Chairman Takeshi Noda of the LDP Headquarters to Promote Measures to Combat Greenhouse Gases and several others conveyed to the prime minister their plan to submit the bill to the Diet as lawmaker-initiated legislation. The prime minister agreed to the plan. Noda told reporters that the legislation is also essential to Japan's national strategy.

The ruling parties have yet to work out the specifics of the bill. Their plan is to create a vision of a low carbon society through methods such as establishing trends toward people moving away from life-styles centered on late night activities and boosting the popularity of energy-saving homes. They also plan to include the responsibilities of the state, local governments, business operators and residents for achieving those ends.

The Democratic Party of Japan (DPJ) last year mapped out a basic bill to combat global warming featuring a cut in greenhouse gas emissions by 25% by 2020 in comparison with the 1990 level. Considering possible effects on talks at the UN, which will move into high gear towards the year's end, the ruling parties' bill is unlikely to include a mid-term goal. There is a possibility of revision talks with the opposition camp. If no agreement is reached

with the opposition parties, the ruling parties hope to pass the bill into law on their own to utilize the passage of the bill as an example of their achievements in campaigns for the next Lower House election.

(4) Hopes pinned on emissions trading: Environment minister reveals

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economic policy

ASAHI (Page 4) (Full)
April 21, 2009

Environment Minister Saito on April 20 released a new vision titled "Green Economy and Social Reform," a measure to buoy up the economy that gives priority to environment conservation. This is, one can say, a revision to the Japanese version of Green New Deal released in January. As effective measures to cut greenhouse gas emissions, the package includes a plan to look into introducing an environment tax and a domestic emissions trading system.

The so-called Saito Vision also incorporates specifics of the growth strategy, which Prime Minister Aso released early this month, such as goals of making the environment-related market a 50 trillion yen market by 2020 through solar energy generation and the dissemination of electric cars, thereby creating 1.4 million jobs. The package also includes the recycling of foods and the use of biomass energy.

The trial implementation of a domestic emissions trading system started last year. The Vision indicates hopes that the system will be introduced on a full scale, since moves to build an international market are becoming active.

Concerning the environment tax, the package points out that the environment market is expected to expand and become activated. However, since coordination of views with the Ministry of Economy, Trade and Industry has yet to be made, the vision is attached with a remark that it was compiled under the responsibility of the environment minister.

(5) Editorial: Eradicate bid-rigging by immediately revising Antimonopoly Law

NIKKEI (Page 2) (Full)
April 21, 2009

Deliberations on a bill amending the Antimonopoly Law have started in the current Diet session. The bill includes measures to broaden the scope of acts subject to penalties in a bid to deter bid-rigging or price cartels. In order to get corporate managers and responsible employees to realize that acts that eat up tax money and damage consumers' interests do not pay, the government must enact the bill as soon as possible.

Discussion on tightening the Antimonopoly Law started three years ago. An advisory panel to the chief cabinet secretary compiled a report in 2007 calling for stiffer penalties on companies that violate the law. In response, the government submitted a bill amending the law to the ordinary Diet session in 2008, but the bill was scrapped in December of the same year since no deliberations were held between the ruling and opposition parties. The government resubmitted the bill to the current Diet session. It is the legislature's responsibility to enact the bill at an early date.

The amendments to the law include measures to enable the Fair Trade Commission (FTC) to also levy administrative surcharges on: (1) companies that attempt to block competitors' market access or shut competitors out of the market by extreme lowering of prices; and (2) companies that make use of their advantageous position and put subcontractors or supplies at a disadvantage.

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This February, the FTC ordered a major music copyright group, known

as JASRAC, to end its usage fee collection practice, defining the practice as obstructing other firms' market access and as monopolistic. The revised legislation is expected to work effectively prevent such acts that tend to be unnoticed by consumers but hinder sound competition.

The FTC will also impose administrative surcharges on major supermarkets that repeatedly cut prices unfairly with the aim of driving out small retailers. Strict measures must be taken against such violators, but the FTC also has to be careful about applying the law so as not to undermine companies' cost-reduction efforts.

The draft revision also proposes hiking by 50% the administrative surcharges on companies that urge other firms to take part in bid-rigging or other improper practices. Meanwhile, it suggests that the leniency system for whistle-blowers on their wrongdoings be expanded and improved. This carrot-and-stick approach is expected to make companies aware that bid-rigging or price cartels will not pay.

The draft revision further includes stricter punitive measures. Violators are now sentenced to a maximum prison term of three years or a fine of up to 5 million yen, but it proposes extending the maximum prison term to five years. We regard this as a proper amendment.

However, on future options for the verdict-assessment system, under which the FTC judges appeals against its punishment, the draft revision just notes, "Study will be conducted within fiscal 2009." The ruling and opposition parties are urged to hold an in-depth discussion and reach a conclusion at an early date, from the viewpoint of making the system more transparent and independent from the FTC.

(6) Calls for restrictions on hereditary Diet seats to become source of contention

NIKKEI (Page 2) (Full)
April 21, 2009

While the ruling Liberal Democratic Party (LDP) is preparing to draft a manifesto (set of campaign pledges) for the next House of Representatives, the handling of calls for restricting candidates to run for the Diet seats held by their parents, grandparents or uncles and aunts has now become a source of contention in the LDP. The advocate of the restrictions of hereditary Diet seats is Yoshihide Suga, an aide to Prime Minister Taro Aso and deputy chairman of the LDP Election Strategy Council. Suga aims to implement the restrictions from the Lower House election after the upcoming snap election. Since LDP lawmakers who have considered handing over their Diet seats to their sons are strongly reacting, internal coordination will likely stall.

Suga expressed strong eagerness to bring about the restrictions of the hereditary-seat system [seshusei]. He stated at a gathering yesterday in Tokyo: "The more I meet strong reactions, the more I have an incentive to go ahead." With an eye on including in the manifesto a pledge to place the restrictions of hereditary seats, he plans to set up a study group to discuss the matter after the Golden Week holidays. An idea has emerged for setting a certain timeframe

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for restricting the family of a Diet member from running for the same electoral district. The calls for restrictions on hereditary seats are aimed to show the LDP's "reform stance" to unaffiliated voters, who have their "allergy" to that practice. Another aim is to seek to constrain moves in the LDP to remove Aso from office after the fiscal 2009 extra budget clears the Diet.

Former Prime Minister Junichiro Koizumi, who severely criticized Aso in February for calling for a review of the postal privatization program, has announced that his second son will run in the next Lower House election for the seat he currently holds. Several former LDP secretaries general, who have close ties to Koizumi, are now looking into the possibility of letting their sons to take over their seats in the future. A senior ruling coalition member said:

"The seshusei issue could be the biggest weakness of the anti-Aso group advocating reforms."

Suga stressed at the gathering: "The LDP will not win the election, unless it changes its nature."

The LDP will likely aim to bring about the restrictions of the hereditary-seat system, by revising the party rules, not by setting up a new law. This is because there is a possibility that such restrictions might conflict with the freedom of the choice of an occupation that the Constitution stipulates. Chief Cabinet Secretary Takeo Kawamura during a press conference yesterday stated: "It is considerably difficult to legally restrict [the seshusei]."

Britain's House of Commons, in which there are a few second-generation members, restricts in effect the hereditary seats by the rules of each party.

LDP members with hereditary Diet seats, who account for more than one-third of all LDP lawmakers, are wary of the idea of restricting the hereditary-seat system, thinking that such may lead to the denial of the meaning of their existence. The fact that Suga has been informally picked chair of a project team in charge of drafting the manifesto is also irritating other LDP members. Objections were presented in succession in an executive board meeting yesterday, with Nobuteru Ishihara saying: "We should not look disapprovingly at the hereditary-seat system."

ZUMWALT